

Message Text

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PAGE 01 STATE 217782
ORIGIN OPIC-06

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FM SECSTATE WASHDC

TO AMEMBASSY CAIRO

AMEMBASSY KHARTOUM

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FROM OPIC: C H MIDDLETON

E.O. 11652: N/A

TAGS: EINV

SUBJECT: FEASIBILITY OF AN OPIC INVESTMENT MISSION
TO EGYPT AND/OR THE SUDAN

1. OPIC WOULD APPRECIATE EMBASSY COMMENTS ON WHETHER IT
IS DESIRABLE AND APPROPRIATE FOR OPIC TO CONDUCT A
FEASIBILITY STUDY OF ORGANIZING AN INVESTMENT MISSION IN
ABOUT MARCH 1979 TO EGYPT AND THE SUDAN OR TO EITHER ONE
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PAGE 02 STATE 217782

INDIVIDUALLY OR IN CONJUNCTION WITH THIRD COUNTRIES.

2. OPIC RECENTLY ESTABLISHED AN INVESTMENT MISSION OFFICE
TO DISTILL THE EXPERIENCE GAINED FROM OPIC'S FOUR PREVIOUS
MISSIONS AND TO DEVELOP CONCEPTS AND PRACTICES TO MAKE
INVESTMENT MISSIONS EFFECTIVE IN PROMOTING U.S. INVESTMENT.
THE OFFICE IS CHARGED WITH ORGANIZING THREE MISSIONS

ANNUALLY. ITS FIRST MISSION WILL BE TO THE ASEAN COUNTRIES IN OCTOBER/NOVEMBER 1978. THE DIRECTOR OF THE OFFICE IS CARL MIDDLETON, FORMER DIRECTOR OF INSURANCE FOR MIDDLE EAST/AFRICA AND ORGANIZER OF THE MARCH 1975 INVESTMENT MISSION TO EGYPT, KUWAIT, SAUDI ARABIA, JORDAN, AND TUNISIA.

3. OPIC'S INITIAL CONCEPT OF AN INVESTMENT MISSION TO EGYPT AND SUDAN IS THAT IT WOULD CONSIST OF 15 TO 20 EXECUTIVES FROM AGRIBUSINESS AND INDUSTRIAL SECTORS, ESPECIALLY THOSE WITH THE POTENTIAL FOR MANUFACTURING FOR EXPORT TO THE ARABIAN PENINSULA, E.G., CONSTRUCTION MATERIALS WHICH ARE BOTH LABOR INTENSIVE AND RELATIVELY EXPENSIVE TO SHIP LONG DISTANCES. THRUST OF MISSION, IN TERMS OF INDUSTRY/AGRIBUSINESS MIX WOULD BE DICTATED BY FINAL COUNTRY SELECTION AND SPECIFIC OPIC APPRAISAL OF MOST ATTRACTIVE INDUSTRY SECTORS. HOWEVER, IT IS NOTED THAT A MISSION INCLUDING SUDAN IS LIKELY TO BE WEIGHTED TOWARD AGRIBUSINESS, WHEREAS A MISSION TO EGYPT OR INCLUDING EGYPT WOULD HAVE MORE BALANCE BETWEEN INDUSTRY AND AGRIBUSINESS. INVITATIONS TO ATTEND THE MISSION COULD ALSO BE EXTENDED TO REPRESENTATIVES OF SEVERAL ARAB PETRO-DOLLAR FUNDS TO STIMULATE THEIR INTEREST IN FINANCING INFRASTRUCTURE COSTS WHICH MIGHT BE ASSOCIATED WITH PRIVATE PROJECTS. MISSION WOULD SPEND ABOUT FIVE DAYS IN EACH COUNTRY. LIMITED OFFICIAL USE

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PAGE 03 STATE 217782

4. FOR CAIRO. OPIC IS IMPRESSED WITH CONTINUING INTEREST OF U.S. BUSINESS IN SURVEYING INVESTMENT OPPORTUNITIES IN EGYPT. AS EMBASSY AWARE HOUSE AND SENATE FOREIGN RELATIONS SUBCOMMITTEES ALSO HAVE EXPRESSED THEIR INTEREST THAT OPIC ENCOURAGE AND FACILITATE INCREASED U.S. INVESTMENT IN EGYPT TO MAXIMUM EXTENT FEASIBLE. OPIC IS, HOWEVER, CONCERNED THAT GOE SENSITIVITY TO THE LACK OF SUCCESS OF PROMOTIONAL EFFORTS OF THE AGRIBUSINESS COUNCIL UNDER JOINT PROGRAM WITH OPIC MIGHT IMPAIR GOE WILLINGNESS TO COOPERATE ENTHUSIASTICALLY WITH AN OPIC INVESTMENT MISSION. WOULD APPRECIATE EMBASSY CONSIDERING THIS POINT (AND TO THE EXTENT IT DEEMS APPROPRIATE DISCUSSING WITH GOE) BEFORE ADVISING WHETHER AN OPIC MISSION WOULD BE TIMELY AND WELL RECEIVED. IN SUCH EXPLORATION EMBASSY MIGHT POINT OUT THAT THE OPIC INVESTMENT MISSION IN 1975 SUCCEEDED IN PROMOTING AN INVESTMENT IN AN ALUMINUM EXTRUSION PLANT IN EGYPT.

5. FOR KHARTOUM. THE JOINT EXECUTIVE COMMITTEE OF THE SUDAN-U.S. BUSINESS COUNCIL DURING ITS JUNE 19-20

MEETING ENCOURAGED OPIC TO SPONSOR AN INVESTMENT MISSION TO THE SUDAN. QUESTIONS ARISE AS TO WHETHER A MISSION DURING MARCH WOULD GIVE SUFFICIENT TIME FOR

THE JOINT BUSINESS COUNCIL TO COMPLETE ITS WORK ON ANALYZING SUDAN'S INVESTMENT LAWS AND REGULATIONS, RECOMMENDING CHANGES AND GETTING A RESPONSE, AND IDENTIFYING POTENTIAL PROJECTS FOR INVESTMENT. EMBASSY COMMENTS ON WEATHER IN MARCH WOULD ALSO BE USEFUL.

6. EMBASSY COMMENTS AND RECOMMENDATIONS ON THE ABOVE MATTERS ARE REQUESTED. IF AN OPIC MISSION IS DEEMED POTENTIALLY DESIRABLE AND FEASIBLE FOR MARCH, PLEASE LIMITED OFFICIAL USE

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PAGE 04 STATE 217782

COMMENT ALSO ON WHETHER OPIC REPRESENTATIVE COULD TRAVEL THE REGION IN LATE SEPTEMBER TO EXPLORE FIRST HAND MISSION FEASIBILITY AND BEGIN TO STRUCTURE MISSION PROGRAM IN DETAIL WITH EMBASSY(S), GOVERNMENT OFFICIALS AND BUSINESS LEADERS. CHRISTOPHER

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